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June 18, 1998

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EX-PARTE LETTER

Ms. Magalie Roman Salas
Secretary
Federal Communications Commission
1919 M Street, N.W., Room 222
Washington, D.C. 20554

Re: CC Docket No. 96-45

RECEIVED

JUN 18 1998

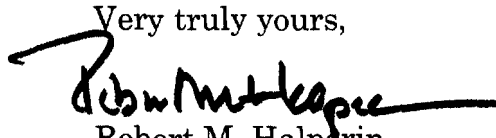
Dear Ms. Salas:

FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

This letter is being filed, in duplicate, to report that a copy of the attached letter was sent today by Fran Ulmer, Lieutenant Governor for the State of Alaska, to Chairman Kennard and Commissioners Furchtgott-Roth, Ness, Powell, and Tristani.

In the event there are any questions concerning this matter, please communicate with the undersigned.

Very truly yours,



Robert M. Halperin
Counsel for the State of Alaska

Enclosure

cc: Chairman William E. Kennard
Commissioner Harold Furchtgott-Roth
Commissioner Susan Ness
Commissioner Michael K. Powell
Commissioner Gloria Tristani

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012

FRAN ULMER
Lieutenant Governor



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Juneau, Alaska 99811-0015
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STATE OF ALASKA
OFFICE OF THE LIEUTENANT GOVERNOR
JUNEAU

June 17, 1998

Senator Ted Stevens, Chairman
Senate Appropriations Committee
S-128 Capitol Building
Washington, D.C. 20510-6025

Dear Senator Stevens:

I am writing to express my concerns about possible Congressional efforts that would interfere with implementation of the Federal Communications Commission's universal service support program for schools, libraries and rural health care providers. Personally, I supported the levels of funding for schools, libraries and rural health care providers set forth in the Commission's May 1997 universal service decision. I understand, however, that this view is not universally shared, and believe that the lower funding levels approved by the Commission last Friday are the best compromise position that can be implemented at this time and under these circumstances.

I recognize your concerns that the size and scope of the universal service program for schools, libraries, and rural health care providers could undermine the Commission's implementation of long-standing Congressional policy that basic telecommunications services be available at reasonable rates to all Americans, including those residing in high-cost, sparsely populated areas. Your long-standing leadership on universal service support for high-cost areas has well served all Americans, particularly Alaskans.

In my view, the Commission's efforts to reform the program address the concern that traditional universal service support for telecommunications services in high-cost areas will suffer at the expense of the schools, libraries and rural health care programs. In addition, the clear majority of the Commissioners is on record as recognizing the need to provide high-cost support that is adequate to protect Americans residing in high-cost areas from rate increases for basic telecommunications services. The Commission's actions last Friday strike a balance between implementation of the Congressional directives in Section 254(h) of the Telecommunications Act of 1996 for the schools, libraries, and rural health care support programs, and long-standing efforts, reiterated and strengthened in the other portions of Section 254, to protect and advance universal service in rural America.

Alaska has urgent needs for the support that Section 254(h) of the Telecommunications Act is intended to provide. Its schools, libraries and rural health care providers are poised to use that support in a cost-effective manner. Alaskan rural health care providers submitted far more applications for support than did providers in any other state. Fifty-seven applications were submitted seeking support for telecommunications services that will permit them to provide more cost-effective health care services. These facts remind me of your eloquent statement made on the Senate floor prior to passage of the Telecommunications Act in which you stated that one of the most important parts of this legislation was the promise of bringing telemedicine to rural Alaska.

Alaskan schools and libraries will also benefit from implementation of Section 254 (h) programs. It is my understanding that all of Alaska's school districts and forty public libraries have submitted applications for support. The applications from approximately one-third of Alaska's libraries were to allow them to become connected to the Internet for the first time. Another one-third submitted requests to upgrade from modems to dedicated lines. Alaska's schools are in slightly better shape than libraries because most are connected to the Internet, but in many cases, actual classrooms are not connected. In general, schools within a district share 56-kb lines, which is simply not enough bandwidth for multiple classrooms with more than one student using a computer simultaneously.

These schools and libraries have spent over a year planning their programs and budgets based on the Commission's decisions. Planning and predictability for this program are essential if school districts are to move to the next steps of integrating modern technology into the curriculum. The reduction in universal service funding that the Commission announced on Friday is already causing great concern about the program's long-term viability. Further reductions or delays in implementation of the program now will only harm children in Alaska and will further delay the transition to an educational system that can truly prepare young people for the world of work in the 21st century.

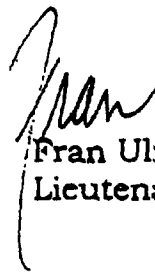
I know you and I share the concern that governmental policies not create a technological underclass in this country. Among other things, such policies would be particularly harmful to Alaskans. The integration of Alaska with the rest of the Nation is critically dependent on telecommunications, as you have recognized in your efforts to assure rate integration for long distance services on behalf of Alaskans and other Americans residing in offshore locations.

In light of these facts, I hope you will support the Commission's revised universal service support program for schools, libraries, and rural health care providers, while at the same time continuing your vigilant efforts to assure that the Commission faithfully implement the other portions of Section 254. The

Commission's recent decision may not represent everything that I wanted for schools, libraries, and rural health care providers. However, this compromise appears to be the best that we can do at this time to address the needs of our children in the Information Age.

Thank you for your consideration of my views.

Sincerely,

A handwritten signature in dark ink, appearing to read "Fran", with a long, sweeping vertical line extending downwards from the end of the signature.

Fran Ulmer
Lieutenant Governor